

# Blend files for IPO to help remain lending software provider of choice

## Article

UK-based Blend submitted the application to the Securities and Exchange Commission last week, [per](#) Crowdfund Insider. Founded in 2012, Blend's business-to-business (B2B) digital [platform](#) lets traditional lenders, including Wells Fargo and US Bank, create a customizable online system for mortgages, consumer loans, and deposit accounts.

**The filing follows a record-breaking year of growth for Blend as lenders flocked to its end-to-end loan application solution.** Social distancing requirements made in-person meetings more difficult, pushing traditional lenders to move from manual, paper-based processes to automated digital solutions like Blend's. For example, its platform automatically analyzes borrower-provided data to offer instant mortgage pre-approval, removing friction from the homebuying journey to drive operational efficiencies and customer satisfaction. Blend facilitated [\\$1.4 trillion](#) in loans for more than 285 lender partners in 2020, more than doubling loan volumes from 2019. Its clients now represent approximately 30% of all US mortgage volume. The successful year culminated in a \$300 million raise in January, doubling Blend's valuation to [\\$3.3 billion](#), per its press release.

**Blend faces a number of other large B2B lending software providers, but a successful IPO could give it the necessary backing to stay ahead.** Traditional lenders' increased need for digital lending capabilities is encouraging more competitors to spring up and capitalize on the rising demand. In October, Google launched [Lending DocAI](#) to help lenders assess borrowers' income and asset documents, and machine learning-powered real estate title firm [Doma](#) is going public via a SPAC valued at \$3 billion. Just last week, digital mortgage lender [Better.com](#) raised \$500 million at a \$6 billion valuation to drive the expansion of its B2B arm. These players could threaten Blend's growth trajectory, which has been fueled by being an early mover partnering with legacy lenders. Blend should therefore use the proceeds from its IPO to make more strategic acquisitions and further improve its offering: Last month, it acquired [Title365](#) for \$500 million to integrate its title commitment and settlement into Blend's loan process and further streamline the homebuying journey.

## Do US Community Banks Offer Digital Loan Applications?

% of respondents, July 2020



Source: Federal Reserve System, the Conference of State Bank Supervisors (CSBS), and the Federal Deposit Insurance Corp, "Community Banking in the 21st Century: 2020 Research and Policy Conference," Sep 30, 2020

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